

Issue Paper Number 01-009



BOARD OF EQUALIZATION
KEY AGENCY ISSUE

- ☐ Board Meeting
- ☐ Business Taxes Committee
- ☐ Customer Services and
Administrative Efficiency
Committee
- ☐ Legislative Committee
- ☒ Property Tax Committee
- ☐ Other

ASSESSMENT APPEALS BOARD MEMBER TRAINING

I. Issue

Should the Board approve the staff-developed course curriculum for the assessment appeals board member training required by SB 1234 (Chapter 942, Statutes of 1999)?

II. Staff Recommendation

Staff recommends that the Board approve the attached proposed course curriculum for the training of newly selected or appointed county assessment appeals board members, as mandated by Revenue and Taxation Code sections 1624.01 and 1624.02.

III. Other Alternative(s) Considered

Not Applicable.

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IV. Background

Senate Bill 1234 (Chapter 942, Statutes of 1999), which amended Revenue and Taxation Code sections 1624, 1624.01, 1624.02, and 1624.05, requires that all county assessment appeals board members newly selected or appointed on or after January 1, 2001 successfully complete a course of training. The mandated training is to be conducted by either the State Board of Equalization or the county, at the county's option. Training by the Board is to be conducted regionally, throughout the state, at no charge to the counties.

Subdivision (a) of Revenue and Taxation Code section 1624.02 states, in part, that "Training shall include, but not be limited to, an overview of the assessment process, elements in the conduct of assessment appeal hearings, and important developments in case and statutory law and administrative rules." The curriculum for the course of training conducted by Board staff must be developed in consultation with county boards of supervisors, administrators of assessment appeals boards, assessors, and local property taxpayer representatives. For those counties that opt to provide their own training, each county's curriculum must be developed in consultation with those listed above, as well as with the Board of Equalization, and is subject to final approval by the Board. In November 2000, staff asked for input from counties interested in developing their own curriculum for this mandatory training; to date, no county has indicated an interest in pursuing the development of their own curriculum.

The mandated training must be completed prior to the commencement of the newly selected or appointed member's term on the assessment appeals board or as soon as reasonably possible, within one year of the appointment. A new member who does not complete the training shall do so within 60 days of notice by the clerk to do so. Members who do not complete the training within the time allotted will be determined to have resigned their position.

V. Staff Recommendation

A. Description of the Staff Recommendation

Staff recommends that the Board approve the attached proposed course curriculum for the training of newly selected or appointed county assessment appeals board members, as mandated by Revenue and Taxation Code sections 1624.01 and 1624.02. Staff developed this curriculum in consultation with county assessors, county boards of supervisors, administrators of assessment appeals boards, and other interested parties. A meeting to discuss the proposed curriculum was held with interested parties on February 23, 2001, and their input has been incorporated into the curriculum.

The course curriculum is based upon a one-day (seven-hour) training session that will be conducted by Board staff regionally, throughout the state, at no cost to the counties. The materials that will be used in the course include the *Assessment Appeals Manual*; Assessors' Handbook Section 501, *Basic Appraisal*; Assessors' Handbook Section 502, *Advanced Appraisal*; Assessors' Handbook Section 504, *Assessment of Personal Property and Fixtures*; Publication 29, *California Property Tax, An Overview*; and Publication 30, *Residential Property Assessment Appeals*. Because the primary function of an assessment appeals board is to rule on valuation matters, one-half of the seven-hour course will be dedicated to a review of valuation methods (Section IV of the course outline).

The term of office for members selected to serve on an assessment appeals board is three years, beginning on the first Monday in September. Based upon this and input received from the Association of Clerks and Election Officials (administrators of assessment appeals boards and boards of supervisors) and given that the law impacts only members newly selected or appointed on or after January 1, 2001, staff plans to offer the training beginning in July 2001. Staff will survey potential attendees to determine exact dates and locations once the Board has approved the curriculum.

B. Pros of the Staff Recommendation

- Fulfills the mandates of SB 1234.
- Provides newly selected or appointed county assessment appeals board members with an overview of the function and purpose of assessment appeals boards, the conduct of the assessment appeals hearing, miscellaneous hearing and appeal topics, and an overview of the assessment process, including the valuation methods.

C. Cons of the Staff Recommendation

The material to be reviewed in a one-day period is substantial.

D. Statutory or Regulatory Change

Not applicable.

E. Administrative Impact

Staff will be required to plan and present several training workshops on a regional basis, throughout the state, each year.

F. Fiscal Impact

1. Cost Impact

Resource needs associated with the implementation of SB 1234 were identified in Budget Change Proposal No. 14, fiscal year 2000-01, which was approved and included in the Governor's 2000-01 Budget.

2. Revenue Impact

Not applicable.

G. Taxpayer/Customer Impact

This training is designed to provide county assessment appeals board members with uniform methods for carrying out their principal function of determining the full value of property and determining other property tax assessment matters over which the appeals board has jurisdiction. The ultimate benefactor of this training should be the taxpayer, who will be provided with a more informed Assessment Appeals Board.

H. Critical Time Frames

SB 1234 impacts county assessment appeals board members newly selected or appointed on or after January 1, 2001; therefore, it is necessary to provide this training during calendar year 2001.

VI. Alternative 1

A. Description of the Alternative

Not applicable.

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Current as of: March 23, 2001

STATE BOARD OF EQUALIZATION ASSESSMENT APPEALS BOARD MEMBER TRAINING PROPOSED COURSE CURRICULUM

COURSE MATERIALS

- *Assessment Appeals Manual*
- Assessors' Handbook Section 501, *Basic Appraisal*
- Assessors' Handbook Section 502, *Advanced Appraisal*
- Assessors' Handbook Section 504, *Assessment of Personal Property and Fixtures*
- Publication 29, *California Property Tax, An Overview*
- Publication 30, *Residential Property Assessment Appeals*

COURSE OUTLINE

I. FUNCTION AND PURPOSE OF ASSESSMENT APPEALS BOARDS

A. Roles and Responsibilities of Assessment Appeals Boards

(This subject will include a discussion of such topics as the constitutional creation of assessment appeals boards, the function of appeals boards [i.e., Property Tax Rule 302], and the importance of both an individual member's and an appeals board's integrity and impartiality.)

B. Relationship to and Interaction with Other Officials/Departments

(This subject will include a discussion of such topics as the roles, responsibilities, powers, and jurisdiction of the assessor, clerk of the board, hearing officers, and county counsel in the assessment appeals process.)

C. Jurisdiction of Assessment Appeals Boards

(This subject will include a discussion of such topics as the valuation, procedural, and legal issues that are within a board's jurisdiction, as discussed in Chapter 5 of the "Assessment Appeals Manual.")

D. Disqualification of an Assessment Appeals Board Member

(This subject will include a follow-up discussion of Section I.A. of the outline above, as discussed in Chapter 4 of the "Assessment Appeals Manual.")

E. Hierarchy and Applicability of Statutes, Regulations, Rules, and Other Authorities

(This subject will include a discussion of the hierarchy and applicability of constitutional provisions, case law and statutes, Board rules, and local rules, as discussed in Chapter 2 of the "Assessment Appeals Manual.")

II. CONDUCT OF THE ASSESSMENT APPEALS HEARING

A. Hearing Process

(This subject will include a discussion of such topics as amendments of applications, stipulations, notices to increase value, and how to conduct and moderate a hearing [e.g., various protocols, the order of presentation, and the conduct of board members in a hearing], as discussed in Chapter 8 of the "Assessment Appeals Manual.")

B. Evidence, Presumptions, and Burdens of Proof

(This subject will include a discussion of such topics as the rules of evidence, evidentiary and procedural presumptions, and the burdens of proof, as discussed in Chapter 7 of the "Assessment Appeals Manual.")

C. Decision Process

(This subject will include a discussion of such topics as the appropriate use of appraisal approaches and methodologies, decisionmaking based upon the evidence presented, the sufficiency of the evidence presented, the recognition of presumptions, time limits for rendering a decision, and issuance of findings of fact, as discussed in Chapter 9 of the "Assessment Appeals Manual.")

III. OTHER/MISCELLANEOUS HEARING AND APPEAL TOPICS

A. Application Process

(This subject will include a discussion of the type of assessment being appealed, the reason for the appeal, the filing period(s), and the two-year time limit for resolution of the application, as discussed in Chapters 3, 5, and 6 of the "Assessment Appeals Manual," and a follow-up discussion of Section I.C. of the outline above.)

B. Obtaining Information for the Hearing

(This subject will include a discussion of unilateral requests for information by an assessor or a taxpayer, exchanges of information between the parties, and an appeals board's ability to obtain information by the use of subpoenas.)

C. Developments in Administrative Rules

(Important developments in Administrative Rules will be covered as part of the discussion of the relevant topic throughout the course.)

D. Developments in Case and Statutory Law

(Important developments in Case and Statutory Law will be covered as part of the discussion of the relevant topic throughout the course.)

IV. OVERVIEW OF THE ASSESSMENT PROCESS

A. General Overview

(This topic will include a discussion of the purpose of an appraisal resulting from a change in ownership, new construction, a decline in value, etc., and a follow-up discussion of Section I.A. of the outline above regarding the function of appeals boards.)

B. Valuation Methods

(This topic will include a discussion of Revenue and Taxation Code section 110 and defining value under California law and an overview of the various appraisal methodologies, based upon the material in Assessors' Handbook Section 501, "Basic Appraisal," Assessors' Handbook Section 502, "Advanced Appraisal," and Assessors' Handbook Section 504, "Assessment of Personal Property and Fixtures.")

1. Introduction
2. Cost Approach
3. Comparative Sales Approach
4. Income Approach
5. Reconciliation of the Value Indicators